



Galecto Reports Third Quarter Operating and Financial Results

November 4, 2021

Announces clinical collaboration with Roche for first line NSCLC

Remains on track with clinical data milestone timing

BOSTON, Nov. 04, 2021 (GLOBE NEWSWIRE) -- Galecto, Inc. (NASDAQ: GLTO), a clinical stage biotechnology company focused on the development of novel treatments for fibrosis and cancer, today announced its operating and financial results for the quarter ended September 30, 2021.

"The third quarter continued to show strong execution by the Galecto team, as we initiated enrollment in two separate Phase 2 trials with different mechanisms of action – one focused on our oral galectin-3 inhibitor, GB1211, for the treatment of liver cirrhosis, and the other focused on our collagen-cross linking enzyme, LOXL2, inhibitor, GB2064, for the treatment of myelofibrosis. We recently completed enrollment in Part 1 of the liver cirrhosis trial and remain on track to present topline data from both of these trials in the second half of 2022," said Dr. Hans Schambye, CEO of Galecto. "In addition, we recently announced a clinical trial supply agreement with Roche for our planned Phase 2 trial of GB1211 in combination with Tecentriq® for the treatment of non-small-cell lung cancer (NSCLC). This planned trial continues our expansion of Galecto's clinical pipeline beyond fibrosis and into oncology. We are very excited about the potential use of galectin-3 inhibitors in difficult to treat cancers, starting with NSCLC. Finally, we continue to recruit patients and open additional sites in existing and new countries in our GALACTIC-1 Phase 2b clinical trial in IPF, and we remain on track to present topline results by mid-2023."

Dr. Schambye continued, "With the addition of the GB1211 Phase 2a trial for the treatment of NSCLC, we expect that our fibrosis and cancer product candidates will be in four separate Phase 2 clinical trials in early 2022. We remain well-funded with cash sufficient to fund our operating expenses and capital requirements into the second half of 2024."

Recent Highlights & Developments

- Announced clinical collaboration with Roche for Galecto's upcoming Phase 2a trial of GB1211 in combination with Tecentriq® for first line NSCLC (GALLANT-1).
- Announced initiation of two separate Phase 2 trials:
 - [Phase 2a trial of the Oral LOXL2 Inhibitor GB2064 in Myelofibrosis \(MYLOX-1 trial\)](#)
 - [Phase 1b/2a trial of Oral Galectin-3 Inhibitor GB1211 in Liver Cirrhosis](#) (GULLIVER-2 trial)
- Completion of enrollment in Part 1 of the GULLIVER-2 trial

Upcoming Milestones

- Completion of enrollment in MYLOX-1 trial in Q4 2021
- Initiation of enrollment in Phase 2a trial of GB1211 in Combination with Tecentriq® in First Line Non-Small-Cell Lung Cancer (GALLANT-1) in 1H 2022
- Completion of enrollment in GALACTIC-1 Phase 2b clinical trial in IPF patients in 1H 2022

Third Quarter 2021 Financial Highlights

Cash, cash equivalents, and marketable securities as of September 30, 2021 were approximately \$128 million. The Company currently expects that its cash, cash equivalents and marketable securities to be sufficient to fund its operating expenses and capital requirements into the second half of 2024.

Research and development expenses were \$9.7 million for the three months ended September 30, 2021, compared to \$7.7 million for the three months ended September 30, 2020. The increase of \$2.0 million was due primarily to increased clinical spending associated with three active clinical trials.

General and administrative expenses were \$3.2 million for the three months ended September 30, 2021, compared to \$2.5 million for the three months ended September 30, 2020. The increase of \$0.7 million was primarily related to increased insurance costs as a public company, increased headcount and non-cash stock-based compensation.

Net loss attributable to common stockholders for the three months ended September 30, 2021 was \$12.7 million, or \$(0.50) per basic and diluted share, compared with \$14.4 million, or \$(55.25) per basic and diluted share, for the prior year period.

About Galecto

Galecto is a clinical stage company incorporated in the U.S. that is developing small molecule-based inhibitors of galectin-3 and LOXL2. Galecto has multiple ongoing Phase 2 clinical programs in fibrosis and cancer, including (i) an inhaled galectin-3 modulator (GB0139) in a Phase 2b trial for the treatment of idiopathic pulmonary fibrosis (IPF); (ii) an orally active LOXL2 inhibitor (GB2064) in a Phase 2a trial for the treatment of myelofibrosis; (iii) an orally active galectin-3 inhibitor (GB1211) in a Phase 1b/2a trial in liver cirrhosis and a separate to-be-initiated Phase 2a trial for the treatment of NSCLC in combination with atezolizumab (Tecentriq®).

Galecto intends to use its website as a means of disclosing material non-public information. For regular updates about Galecto, visit www.galecto.com.

Forward-Looking Statements

Certain statements in this press release are forward-looking statements that involve a number of risks and uncertainties. Such forward-looking

statements include statements about Galecto's ability to complete enrollment in its GALACTIC-1 Phase 2b clinical trial in IPF patients in 1H 2022 and present topline data in mid-2023; Galecto's planned initiation of enrollment in the GALLANT-1 trial (NSCLC) in the 1H 2022; Galecto's completion of enrollment of its MYLOX-1 trial in Q4 2022; Galecto's expectation that topline data for the MYLOX-1 (myelofibrosis) and GULLIVER-2 (liver cirrhosis) trials in the 2H 2022; and Galecto's expectation that it cash, cash equivalents and marketable securities will be sufficient to fund our operating expenses and capital requirements into the second half of 2024. Such forward-looking statements include statements about Galecto's focus, plans for clinical development, product candidates and pipeline. The words "may," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "predict," "project," "potential," "continue," "target" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. For such statements, Galecto claims the protection of the Private Securities Litigation Reform Act of 1995. Actual events or results may differ materially from Galecto's expectations. Factors that could cause actual results to differ materially from the forward-looking statements include risks and uncertainties related to the development of Galecto's product candidates and their therapeutic potential, having adequate funds and their use, and those disclosed in Galecto's filings with the Securities and Exchange Commission (SEC), including, but not limited to, Galecto's Annual Report on Form 10-K, as filed with the SEC on March 29, 2021. These forward-looking statements represent Galecto's judgment as of the time of this release. Galecto disclaims any intent or obligation to update these forward-looking statements, other than as may be required under applicable law.

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Financial Tables to Follow

GALECTO, INC.
Condensed Consolidated Balance Sheets
(in thousands)

	September 30,	December 31,
	2021	2020
	(unaudited)	
Cash and cash equivalents	\$ 66,157	\$ 163,582
Marketable securities	35,987	—
Prepaid expenses and other current assets	4,864	5,713
Marketable securities, long-term	25,492	—
Operating lease right-of-use assets	940	885
Other assets	2,434	1,416
Total assets	\$ 135,874	\$ 171,596
Current liabilities	\$ 5,743	\$ 5,566
Operating lease liabilities, noncurrent	511	541
Total liabilities	6,254	6,107
Total stockholders' equity	129,620	165,489
Total liabilities and stockholders' equity	\$ 135,874	\$ 171,596

GALECTO, INC.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except share and per share amounts)
(unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
	2021	2020	2021	2020
Operating expenses:				
Research and development	\$ 9,748	\$ 7,651	\$ 28,373	\$ 16,874
General and administrative	3,191	2,515	10,386	5,461

Total operating expenses	12,939	10,166	38,759	22,335
Loss from operations	(12,939)	(10,166)	(38,759)	(22,335)
Total other income (expense), net	243	(1,485)	416	(925)
Net loss	(12,696)	(11,651)	(38,343)	(23,260)
Dividends on convertible preferred stock	—	(2,713)	—	(7,648)
Net loss attributable to common shareholders	\$ (12,696)	\$ (14,364)	\$ (38,343)	\$ (30,908)
Net loss per common share, basic and diluted	\$ (0.50)	\$ (55.25)	\$ (1.52)	\$ (118.89)
Weighted-average number of shares used in computing net loss per common share, basic and diluted	25,261,832	259,966	25,261,832	259,966
Other comprehensive gain (loss), net of tax	(335)	2,331	(763)	2,136
Total comprehensive loss	\$ (13,031)	\$ (9,320)	\$ (39,106)	\$ (21,124)



Source: Galecto, Inc.